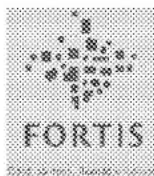


# **EXHIBIT A**



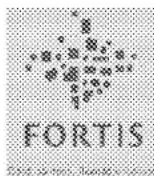
## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

<b>Borrower's name</b>	Rye Select Broad Market XL Fund, L.P. ("Feeder Fund")		Feeder
<b>Borrower's founding date</b>	13/07/2006	<b>Launch Date</b>	1/09/2006
<b>Borrower's Legal Form</b>	<p>Feeder Fund in Master/Feeder Structure formed as a Delaware Limited Partnership.</p> <p>The Feeder Fund has been formed as a Special Purpose Vehicle for the sole and exclusive purpose of gaining exposure by way of Total Return Swaps to the Rye Select Broad Market Fund, L.P. ("Master Fund").</p> <p>Limited Partnership Interests in the Feeder Fund are exempt from registration under the Securities Act of 1933 as investors in the partnership must be qualified purchasers.</p>		
<b>Registered Domicile of the Fund</b>	USA		
<b>Borrower's Service Providers</b>	<b>General Partner</b>	<b>Administrator</b>	<b>Custodian</b>
<b>Borrower's Service Providers Cont...</b>	Tremont Partners Inc ("TPI").	Third Party Provider BNY Alternative Investment Services Ltd ("BNY"). BNY are a subsidiary of the Bank of New York and are an approved third party administrator.	There is no formal custodian for the Feeder Fund. FPFS Bank (Irl) Ltd ("The Irish Bank") will directly invest in, own and hold the reference asset to the proposed Total Return Swap ("TRS"). The cash collateral for the TRS will be held in an account at The Irish Bank. The Feeder Fund will not have access to this cash. The Feeder Fund already has exposure to another existing TRS. The assets relating to this TRS are directly held and owned by the other counterparty.
<b>Locations</b>	USA	USA	
<b>Date last approved</b>		<b>Relationship Manager</b>	Laurence Headlam
<b>Date Last Compliance approved</b>	2/11/2006	<b>Location of RM Office</b>	New York
<b>Date of this application</b>	16/11/2006	<b>Author of Application</b>	Laurence Headlam

<b>Lender</b>	<b>FPFS Bank (IRL) Ltd</b>
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### Requested Facilities

Name of Client	New/ Existing	Facility Type	Ccy	Current Limit (‘000s)	Requested Limit (‘000’s)	Rate LIBOR + (Bps)	Borrowing restriction	S/Card Adv %
							Unrestricted	FoHF
Feeder Fund	New	TRS	USD	0	375,000	90		66.67
Total			USD	0	375,000			



## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

The maximum permitted utilisation per fund will be the lower of the:
**The Absolute Limit
**The applicable limit as per the Calculated Advance Rate
**Borrowing Restriction (if Applicable)

### Purpose or Rationale for Credit Facility

	<b>Total NAV as at:</b>	30/09/2006	<b>Total NAV</b>	USD	76,530,960
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The requested facility will allow the Feeder Fund to enter into a 3x leveraged Total Return Swap ("TRS") with The Irish Bank. It has been confirmed by PFS Legal that a TRS can be provided to a US on-shore entity by The Irish Bank (see legal opinion).

The reference asset for the TRS will be limited partnership interests in Rye Select Broad Market Fund L.P. ("the Master Fund"). The TRS will provide a 3x leverage (66.67% advance rate) investment into the Master Fund.

The advance rate applied is based on the look through to the portfolio held by the Master Fund. The Master Fund Portfolio has generated an advance rate of 91.4% is discussed under Investment Strategy.

The TRS will launch with investor capital of USD 10mio, allowing the Feeder Fund to enter into a TRS with an initial notional value of USD 30mio. This is split as debt USD 20mio and equity USD 10mio. The attached scorecard supports the advance rate sought.

Within the first six months, investor capital is expected to grow to USD 125mio, allowing the Feeder Fund to borrow USD 250mio, resulting in a TRS with a notional value of USD 375mio. There is a large demand for leveraged investment into the Master Fund, therefore the expected level of investor capital is realistic as the Feeder Fund launched with USD 70mio of equity which was invested into the existing TRS which provides 3x leverage. In addition, an offshore version of the Feeder launched on 1st September 2006 and has raised USD 137mio to date in investor equity.

The Feeder Fund is not subject to any borrowing restrictions and is able to invest directly into leveraged Total Return Swaps.

The first review of the fund is scheduled for July 2007, following the first six months of operation of the TRS with The Dublin Bank.

The facility will work as follows:-

1. The Feeder Fund will supply cash collateral to The Irish Bank. This will be held as security, and the Feeder will not have access to this cash.
2. The Irish Bank will purchase Limited Partnership Interests in the Master Fund equivalent to 3x the value of the cash collateral. The Irish Bank will be a Limited Partner and receive the investment returns on the asset.
3. On a monthly basis the return on the Master Fund assets will be paid to the cash collateral account less the interest charged on the notional value of the TRS. The interest element will be charged under the TRS limit.
4. If at the monthly reset date the return payable under the TRS is negative, the Feeder Fund will be required to top up the cash collateral so that cash is equal to one third of the Master Fund Assets held under the TRS.
5. The calculation agent for the TRS will be The Irish Bank.

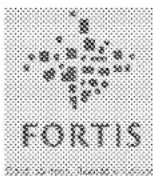
See cashflow summary for further detail of cash movements.

The Dublin Bank have confirmed that there are no operational issues in conducting this TRS.

<b>Current Balance as at Application Date</b>		N/A	<b>Average Utilisation</b>	<b>3mth</b>	<input type="checkbox"/>	0	<b>Deficits Yes/No</b>	Yes <input type="checkbox"/>
				<b>6mth</b>	<input type="checkbox"/>			No <input checked="" type="checkbox"/>
				<b>12 mth</b>	<input type="checkbox"/>			

### New/Existing Relationship & Fee Income

This is a new relationship to PFS. The relationship was introduced to Fortis by Andrew Scherr of PFS New York. The Feeder Fund is part of a Master Feeder Structure. This is the first structure of the Tremont Group for which PFS has provided a quote. It is hoped that this transaction will allow Fortis to quote for other funds managed in group.



## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

The TRS is priced at 90 bps over LIBOR. Debit interest will be charged on the full notional value of the TRS. Credit interest will be paid at 90 bps over LIBOR on the total value of the cash collateral held as security by The Irish Bank. Netting off the two payments results in the interest being charged on the leverage element of the swap only.

The return based on average notional value of the TRS of USD 225mio would be USD 1.35mio p.a., the return will increase to USD 2.25mio p.a. under full utilisation of the facility.

### Investment Objectives

The Feeder Fund seeks to provide investors with long term capital growth and a return linked to a three times leveraged exposure into the Master Fund. This will be achieved by the Feeder Fund entering into a TRS with one or more swap providers on a leveraged basis. The reference asset of the swap will be shares in the Master Fund.

The Feeder Fund is not benchmarked against any index.

### Investment Strategy

The Feeder Fund expects to achieve its investment objective by investing all its assets into one or more 3x leveraged Total Return Swaps. The reference assets to the swap will be Limited Partnership Interests in the Master Fund.

The Master Fund is a single manager strategy. Since launch of the fund in March 1994 the Master Fund has invested all its assets into a brokerage account with Bernard L Madoff Investment Securities LLC ("Madoff"). The strategy executed by Madoff is a "split strike synthetic conversion" options trading strategy. The portfolio generally consists of 40 to 50 large-cap stocks that are hedged with equity index options. It is the intention of the Master Fund to continue the investment into Madoff indefinitely. Madoff has been successfully executing this strategy since the 1960's and it is understood that over USD 20bio is traded under this strategy.

The scorecard attached for the Feeder Fund demonstrates a USD 30mio investment into the Master Fund with a fixed advance rate of 66.67%. The advance rate is provided based on a look-through to the Master Fund Portfolio which has been scored in FUVARS. The October 31<sup>st</sup> 2006 Master Fund portfolio has 50 US equities, 2 treasury bills, put and call options to hedge the portfolio, and a money market account to invest surplus cash. The portfolio is in accordance with the Investment Strategy. The FUVARS advance rate generated is 91.4%.

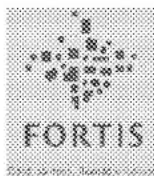
To provide Fortis with transparency and look-through to the underlying Madoff portfolio, Dublin Risk Management will receive the following on an ongoing basis:-

1. Daily copies of trade tickets on the Madoff account to be provided by SS&C.
2. Weekly estimated returns calculated by TPI (normally 2 business days after week-end).
3. Monthly estimated returns from TPI (normally 5 business days after month-end).
4. Master Fund Monthly Brokerage Statement provided by Madoff detailing all settled trades.
5. Monthly NAV and portfolio for the Master Fund calculated by the administrator of the master fund and approved by TPI will be provided within 15 working days of month-end.

### Investment Management Quality

TPI as General Partner provides investment management services to both the Master and the Feeder Fund. The General Partner has been established for over 20 years. **TPI is a wholly-owned subsidiary of Tremont Group Holdings, Inc ("Tremont")**. Tremont is 100%-owned by Oppenheimer Acquisition Corporation, the parent company of OppenheimerFunds, Inc., one of America's leading mutual fund companies. Oppenheimer Acquisition Corporation is owned in turn by MassMutual Life Insurance Company. **Tremont has over USD 8.2bio of assets under management, and 126 staff, based in New York, London, Toronto, Bermuda and Hong Kong. Tremont are in the top 20 of Fund of Hedge Fund Managers according to assets under management.**

TPI is registered with the SEC as an investment advisor under the Investment Advisors Act of 1940. TPI is currently the General



## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

Partner for 13 funds and Investment Manager for 3 funds. AuM for these funds total USD 2.2bio as at 1/09/2006, and are attached for information purposes.

**Tremont are jointly responsible with CSFB for the The CSFB/Tremont Hedge Fund Index ("The Index").** This is the largest asset-weighted hedge fund index tracking more than 4500 hedge funds. The Index has been in operation since January 1994 and currently tracks 13 different hedge fund strategies. The Index is one of the most popular indexes used by Hedge Funds to benchmark performance. Furthermore, in 2005, the Tremont Group sold their TASS Hedge Fund database to Reuters. This is now known as The Lipper TASS Hedge Fund database which has been regarded as one of the top hedge fund databases globally for some time.

**Tremont are a household name based on Assets Under Management, their research capabilities, and also their involvement with The Index.**

The track record of the Master Fund is excellent. Performance Figures have been provided since launch in May 1994 which are attached. On an annualised basis annual performance has ranged between + 8.48% and + 17.10%, with the average being 11.75%. Average monthly performance is therefore 0.98%. Over 12 years the Master Fund has had only 7 down months, only 3 of which have been greater than 0.1%. The largest down month was in November 1994 which was -0.44%. Attached is a table demonstrating the distribution of returns over the life of the Master Fund, and also a summary report detailing monthly performance since launch.

The performance of Madoff and ultimately the Master Fund is regarded as sustainable. Madoff has a 40 year track record in the chosen strategy, and has consistently performed. The strategy is the dominant strategy of Madoff and forms the cornerstone of their reputation. Demand outweighs supply for the strategy and Madoff only accept investment when they have capacity, not when the clients demand. Notwithstanding this, Tremont have an excellent relationship with Madoff which should continue to supply Tremont with the required capacity in the future.

The biographies of the key decision makers of the general partner are attached. The team has many years of industry experience and a strong track record.

**The quality of the General Partner and the Tremont Group is regarded as exemplary and top-tier.**

### **Investment Manager's Risk Management of Fund**

The General Partner is responsible for Risk Management in the structure. The Master Fund is a single manager strategy investing all assets into an account held with Madoff. The Madoff account held with the Master Fund has been in place since 1994.

The Madoff account is monitored by the General Partner. Duplicate information is provided to both the General Partner and SS&C Technologies, Inc ("SS&C") as fund administrator to allow risk monitoring of the Master Fund portfolio.

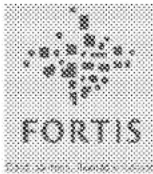
Madoff provides copies of individual trade tickets for each and every trade on the brokerage account on a daily basis. At each month-end, Madoff provide a copy of the monthly brokerage account statement which lists every settled transaction throughout the month, this also includes a position report for the balance of securities held at month-end. The General Partner reconciles the daily tickets against the month-end report.

Transaction activity is then cross-referenced against the investment parameters set out in the Trading Authorisation Directive. The General Partner employs the services of RiskMetrics' HedgePlatform in which all trading activity is input, and this generates position based risk reporting allowing the General Partner to perform additional monitoring such as stress testing on the portfolio.

The Tremont / Madoff relationship is a long-term relationship. Over this period Tremont has carried out extensive due diligence on the underlying manager in line with the Tremont Investment Process. Tremont utilises a manager research group which is responsible for sourcing managers, undertaking operational and investment due diligence, formulating views on future investment results under different scenarios, and presenting managers to the Investment Committee.

Investors can access their investor statement via the Tremont website. In addition investors are provided with a monthly summary

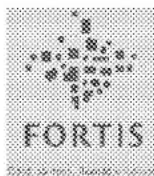




## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

sheet which provides breakdown of strategy, historical performance, and monthly performance commentary. Investors are not provided with the month-end portfolio but will be advised of individual long positions which were particularly key in the month's performance.

In summary, the General Partner has sufficient risk management capabilities to control the investment into the Madoff account.



## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

### Investor Base

#### Feeder Fund

The investor base is currently split as 60% High Net Worth Individuals, 20% Fund of Hedge Funds, and 20% Institutional. The Feeder Fund has 2 classes of Limited Partnership Interests, Class A and Class B. The only difference between them is that Class B Interests are subject to a 1% per annum of NAV management fee. The Offering Memorandum and Limited Partnership Agreement provides borrowing powers to the Feeder.

The Offering Memorandum states that the Feeder Fund may use:-

1. Derivatives and leverage to enhance the returns to shareholders.
2. Leveraged Total Return Swaps.

There are no restrictions placed on the borrowing capacity of the fund other than those imposed by lenders. The Limited Partnership Agreement allows the Feeder Fund to enter into one or more swaps to obtain the investment returns of the reference entity on a leveraged basis. It is clearly stated that the Feeder Fund will use one or more Total Return Swaps providing a three times leveraged exposure to the Master Fund.

#### Master Fund

Investors into the Master Fund are split as 40% Fund of Hedge funds, 40% High Net Worth Individuals, and 20% Institutions. This includes TRS providers directly holding the Limited Partnership Interest as part of their obligations under the TRS. All investors in the Master Fund hold the same form of Limited Partnership Interests.

The Master Fund has the legal ability to borrow for bridge and leverage purposes. TPI have confirmed verbally that the Master Fund has never used leverage and will not use leverage in the future.

The Master Fund will confirm in writing that no leverage will be used at the Master Level for the duration of the TRS.

### Third Party Service Providers

#### Administrator

BNY is a subsidiary of the Bank of New York. BNY is an established leader in global fund administration. BNY services 308 hedge funds for over 91 clients, as at 30/06/2006 Assets under Administration totalled \$78.7 billion. Total assets serviced worldwide including non hedge-fund assets totals \$1.7 trillion (Source: Bank of New York Due Diligence Questionnaire). BNY have been approved by Compliance and have provided Fortis with a satisfactory 3rd Party Administration Letter. BNY is the sole administrator used by TPI for funds that do not directly invest into Madoff.

#### Swap Provider

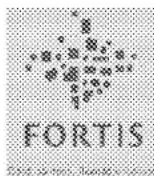
The Feeder Fund has an existing TRS with a third party service provider providing 3x leverage. Due to confidentiality reasons Tremont have not provided Fortis with details of the TRS provider or the terms and conditions of the TRS. Fortis have been advised that the provider is a top-tier provider with a credit rating of AA- with Standard and Poors. Tremont have also advised Fortis that no side letter has been issued to the TRS provider and that they are subject to the liquidity constraints as advised in the Offering Memorandum, namely the last business day of each calendar month with 30 days notice. Furthermore, the other TRS provider has taken the reference asset as collateral and does not hold cash. The cash collateral that Fortis will receive provides greater liquidity in the event of default. It will be requested that the Feeder Fund advise The Irish Bank in writing if the Feeder Fund enters into any further Total Return Swaps.

The TRS is being provided on a pari passu basis, therefore the Irish Bank will be on an equal footing to the other swap provider who will have no more advantageous terms than The Irish Bank, this will be covered using the "Most Valuable Nation" clause in the legal documentation (see legal opinion).

#### Master Fund

**Administrator:** TPI is the named administrator on the master fund. TPI sub-delegate some duties to SS&C. The duties are split as follows:-

- TPI looks after all responsibilities at the investor level, i.e. subscriptions, redemptions, KYC, and contract notes.
- SS&C are responsible for portfolio valuation and in particular the following duties:-



## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

1. Receive and process trade tickets from the broker.
2. Corporate Action/Income Processing.
3. Position Reporting and Fund Valuation (P/L).
4. Brokerage Account Reconciliation.
5. Process the following activity (3rd party pricing / income and expense accruals).
6. Prepare and maintain all accounting books and records required by US GAAP, including, inter alia, calculation of the monthly Net Asset Value.

SS&C provide the above pricing services on 4 funds managed by TPI, all of which directly invest into Madoff. SS&C have been a service provider since the mid 1990's on the on-shore funds that invest directly into Madoff and since July 2006 on the off-shore funds. SS&C undertake all the pricing of the Master Fund portfolio. TPI have retained the services of SS&C due to the satisfactory level of service they have provided on the Madoff accounts.

As at April 2006, SS&C had USD 75bio of Assets under Administration split as USD 53bio of Hedge Funds and USD 22bio of Fund of Hedge Funds (source: HFMWeek hedge fund administrator survey).

**Banker:** Bank of New York.

**Custodian:** Madoff.

*Master & Feeder:*

**Auditor:** Ernst and Young LLP.

**Legal Counsel:** Tannenbaum Helpert Syracuse & Hirschtritt LLP

### Financial Analysis

#### Feeder Fund

The feeder fund launched on 1st September 2006, therefore no audited financials are available. NAV reports have been provided for the Feeder Fund as at 30/09/2006. As the Feeder Fund is a limited partnership it has no shares and therefore, has no NAV per share.

Net Assets at the end of the first month are USD 76.5mio. This is made up of investment into the current TRS of USD 70mio, investment gains of USD 799.6k and the remainder constituting cash. The investment gain equates to 1.05% gain in the first month of trading.

#### Master Fund

Financials are held for the Master Fund for the full years ending 31st December 2004 and 31st December 2005.

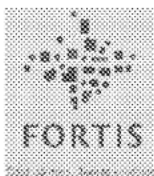
Investments (consisting of investment into the Madoff account) reduced from USD 407.2mio in 2004 to USD 388.3mio in 2005. Cash reduced from USD 14.7mio in 2004 to USD 8.65mio in 2005, this resulted in investment as a percentage of total assets increasing from 96.5% to 97.8%. Total assets therefore reduced from USD 421.9mio to USD 397mio. Limited Partners Capital reduced from USD 416.5mio in 2004 to USD 392.2mio in 2005, this was due to redemptions. In the same period General Partners Capital has increased from USD 657.1k to USD 725.1k.

Total income consisting of dividend and interest income increased from USD 7mio in 2004 to 11.1mio in 2005. Realised gains on the Madoff account, reduced from 33.8mio in 2004 to USD 30.2mio in 2005. Overall total income increased from USD 40.8mio in 2004 to USD 41.3mio in 2005. Total expenses reduced from USD 5.5mio to USD 5.4mio, mainly due to a reduction in management fees of USD 4.2mio in 2004 to USD 4.1mio in 2005. Net increase in partners capital from operations increased from USD 35.3mio in 2004 to USD 35.9mio in 2005.

Performance of the Master Fund is summarised in the attached NAV development table covering October 2005 to September 2006. Net Assets have increased from USD 405.4mio in October 2005 to USD \$607.4mio in September 2006. The growth in assets was mainly in September 2006 when the Feeder fund launched and invested via the Total Return Swap, investment under the Total Return Swap would have been USD 210mio. Performance of the Master Fund which is unleveraged was 9% for the period, performance gains were recorded in all 12 months ranging from 0.26% to 1.65%.

Performance figures have also been provided for Rye Select Broad Market Portfolio Limited (the Offshore version of the Master Fund) which recorded similar performance of + 9.2% for the same period.





## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

### General

The Master Fund was previously known as **Redacted** The change of name was effective as of 13th June 2006.

#### Madoff Exposure

Madoff are a New York broker /dealer, who have discretion to trade within a defined strategy, whilst acting as custodian to those assets. Madoff have been visited at their offices by senior staff of Fortis on more than one occasion. Some key points are as follows:-

- Madoff were established in 1960, and execute 10%-15% of trades on NYSE and NASDAQ.
- 40+ year track record in broker / dealer accounts.
- Leading market maker in all S&P 500 stocks and over 200 NASDAQ issues.
- Clients of Madoff include JP Morgan Chase Investments, Charles Schwab, Harley International Cayman Limited and Tremont.
- Chinese walls exist between the brokerage and custody sides of the business.

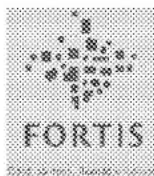
Currently Fortis has 2 credit facilities extended to Funds investing in Madoff portfolios totalling USD 600mio, namely:-

1. **Redacted** USD 500mio leverage limit with The Irish Bank (75% advance rate).
2. Auriga International Limited. USD 100mio leverage limit with Fortis Bank NV (50% advance rate).

At present 29% of Fund of Hedge Fund drawn advances with the Irish Bank are in respect of **Redacted** and therefore have exposure to Madoff as the underlying asset. Upon approval of the Feeder Fund this would increase to c40% of Fund of Hedge Fund advances. Fortis are currently looking at ways of risk-sharing to reduce the hard exposure to Madoff, this will be dealt with separately to this proposal. It should be noted that Madoff trades in liquid listed securities, namely S&P 100 shares, US T-Bills, cash and listed options.

### Risk Aspects

Potential Risk	Risk Mitigation
Structural Risk	<ul style="list-style-type: none"> <li>• Legal opinion has been provided to support the proposed structure.</li> <li>• Legal have confirmed that The Irish Bank will be counterparty for the TRS.</li> <li>• Legal have confirmed that there are no tax implications with The Irish Bank being an investor in the Master Fund.</li> </ul>
Legal Risk/Documentation	<ul style="list-style-type: none"> <li>• All legal documentation relating to the Swap will be completed and duly executed prior to drawdown on the facility. This will include ISDA, Swap confirm, and non-borrowing agreement for the Master Fund.</li> <li>• The Master Fund will issue a letter of undertaking to the Irish Bank which will include a "Most Favoured Nation" clause between the Bank and the Master Fund which will mean no other investor will have more favourable liquidity terms than The Irish Bank. In addition, the undertaking will include confirmation of non-borrowing by the Master Fund.</li> <li>• The Feeder Fund will undertake to advise Fortis if any further swap providers are utilised by the Feeder Fund.</li> </ul>
Collateral Risk	<ul style="list-style-type: none"> <li>• Primary collateral will be in the form of cash collateral held with the Irish bank with a charge in favour of The Irish Bank.</li> <li>• As part of the swap The Irish Bank will directly own partnership interests in the Master Fund.</li> <li>• The value of the cash collateral will be monitored daily by Dublin Risk Management.</li> <li>• Cash Collateral will at all times cover 33% of the Notional value of the swap, any losses encountered under the swap will be covered by the Cash Collateral.</li> </ul>
Risk Monitoring	<ul style="list-style-type: none"> <li>• Daily trade tickets from Madoff will be provided to Dublin Risk Management.</li> <li>• Weekly and Monthly performance estimates for the Master Fund will be provided to Dublin Risk Management by <b>Reda</b></li> </ul>



## FORTIS PRIME FUND SOLUTIONS CREDIT APPLICATION

	<ul style="list-style-type: none"> <li>Month-end brokerage statement from Madoff will be provided to Dublin Risk Management on a monthly basis.</li> <li>Monthly NAV on Master and Feeder Fund will be provided to Dublin Risk Management within 15 days of month end.</li> <li>The Irish Bank as Limited Partner to the Master Fund will receive a monthly statement confirming the value of the Limited Partnership Interest held in the Master Fund.</li> </ul>
Foreign Currency Risk	<ul style="list-style-type: none"> <li>All assets, collateral and borrowing will be in USD eliminating currency risk.</li> </ul>
Counterparty Risk	<ul style="list-style-type: none"> <li>Tremont Group has over 20 years experience and manages assets of USD 8.2billion. It is in the top 20 Fund of Hedge Fund Managers by Assets under Management.</li> <li>The reference asset of the TRS has been in existence for over 12 years providing positive returns in all 12 years averaging over + 10%.</li> </ul>

### Conclusion Recommendations

The proposal gives The Irish Bank the opportunity to develop a profitable relationship with a top 20 Fund of Hedge Fund Manager.

The Feeder Fund has been set up to provide a leveraged exposure to the performance of the Master Fund. The Irish Bank as TRS provider will directly own the reference asset of the TRS in its own name. The cash collateral provided by the Feeder will be held in an account with The Irish Bank which will cover 33% of the value of the Swap, the Feeder will not have access or control over the cash. This gives The Irish Bank full control of the collateral in relation to the TRS. The other TRS provider will hold their own collateral and Fortis will have no recourse to their collateral or vice versa.

The track record of the Master Fund is exemplary, the biggest monthly down month for the Master Fund has been 0.44% in 12 years. The cash collateral provides cover for a loss of up to 33% on the TRS. Based on historic performance of the Master Fund, this should provide The Irish Bank with a great degree of comfort. In addition, the Madoff portfolio value is further protected by put and call options which hedge against adverse market performance.

The Irish Bank will receive weekly and monthly NAV estimates on the Master, monthly finalised NAV for Master and Feeder, monthly brokerage statement from Madoff, and daily trade tickets from Madoff. This will allow Fortis to monitor the activity and performance of the Madoff account.

The Master Fund will agree to a non-borrowing policy to prevent the risk of leverage on leverage in the structure.

Taking into account all the above factors and the lucrative return on this transaction approval of a TRS up to USD 375mio is fully recommended.

Annexure/s	Name of Document
Fund Structure/Schematic	Structural Diagram
Scorecard	Master Fund Scorecard
Legal Advice	Legal Advice
Financial Summary	Financial Summary Master Fund
NAV Development	Master Fund

### Approvals

#### Approved Account Manager

Name : Laurence Headlam  
Date :

#### Approved Local Managing Director

Name :  
Date :

#### Approved Credit Support

Name : John Carter  
Date :